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C O N F I D E N T I A L BAGHDAD 004230

SIPDIS

E.O. 12958: DECL: 10/14/2015

TAGS: [ECON](#) [ENRG](#) [EPET](#) [MOFS](#) [MARR](#) [PGOV](#) [PINS](#) [PREL](#) [TU](#) [IZ](#)

SUBJECT: MGIZ02: POWER DISRUPTION, FUEL IMPORT SHORTAGES
AND A MAJOR PIPELINE EXPLOSION ON THE EVE OF THE REFERENDUM

Classified By: Economic Minister Counselor Tom Delare for reasons 1.4 (b) and (d).

1. (C) Summary: On the eve of the Constitutional referendum, Iraqis face an almost general electricity blackout, another round of fuel shortages, and a major pipeline breach at the critical al-Fatah Crossing in the north. A decision to amply supply Baghdad with fuel at this time has produced shortages elsewhere. End Summary.

MAJOR BLACKOUT REPORTED ACROSS IRAQ

2. (SBU) Ministry of Electricity advisor Ayser Habib reported that, as of 1845 hours October 14, Iraq is suffering a blackout in more than two-thirds of the country. Power in the central Baghdad area and the Southern provinces went off line at approximately 1830 hours; the cause of the blackout remains unknown. Power in the far north is still functioning, as are Mosul and Haditha dams. Ministry of Electricity Advisor Haitham Yaseem reported that power surges due to the loss of a 400 kV line in the south, combined with the ongoing interdiction of the two Bajji-Baghdad West 400kV lines, triggered instability in the national grid.

Fuel Supplies Low in the North

3. (SBU) Due to an earlier decision by the National Energy Council to plus-up fuel supplies in Baghdad, other parts of the country are suffering shortages. Furthermore, since the State Oil Marketing Organization (SOMO) canceled and re-issued many of its import contracts effective October 1 (see septel), the balanced distribution between the four types of fuel (gasoline, kerosene, diesel, and propane) has been disrupted. On October 14, for example, 218 trucks crossed into Iraq from Turkey: 126 carried of them carried diesel, 89 carried propane, three carried kerosene, and zero carried gasoline. Although Baghdad has 10.2 days of gasoline supply on hand as of October 12, the northern city of Mosul has only 1.6 days on hand. With only a few days storage capacity, Mosul relies on daily shipments to keep up with demand. Any interruption or diversion of imports is felt there almost immediately.

Explosion at al-Fatah

3. (C) An October 12 explosion on an oil pipeline north of the al-Fatah Bridge, on the Tigris River near Bayji, ignited a temporary gas pipeline that runs over the bridge. The subsequent massive fireball engulfed three pipelines: one crude oil and two natural gas lines (sour and dry gas), causing a portion of the bridge to collapse into the river. Sour gas delivery to the Bayji power plant has been interrupted and the Daura, Taji, and Mosul power plants are operating at reduced pressure, as gas is being re-routed through a smaller 8 inch line. The cause of the pipeline explosion and full effect of this incident is not yet known; unconfirmed reports of a mortar attack are being investigated. It will be several days before the fire can be extinguished and repairs even begun, although some oil and gas is being re-routed on other lines.

4. (C) The total economic impact of the disruption is not clear at this point, however there will be less electricity generation due to reduced delivery of Kirkuk gas to the northern power plants. MoO has had to shut down the unaffected 26 inch crude oil pipeline, as related repairs to a manifold on that line cannot be completed until the fire is put out and the site cools off. The fire is expected to last five days (Note: The long burn time is caused by the lack of valves in the pipeline, requiring the draining of the entire contents to the lowest point in the line, which is where the fire is located. End Note).

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